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FM AMEMBASSY JAKARTA  
TO RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE  
RUEHC/SECSTATE WASHDC IMMEDIATE 8703  
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING 3593  
RUEHEG/AMEMBASSY CAIRO 0053  
RUEHBY/AMEMBASSY CANBERRA 9847  
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S E C R E T SECTION 01 OF 02 JAKARTA 010189

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STATE FOR EAP/FO, EAP/K, AND EAP/RSP  
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TREASURY FOR IA AND TERRORISM FINANCE AMIT SHARMA  
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TAGS: [EFIN](#) [ETTC](#) [KFTN](#) [PREL](#) [PTER](#) [PARM](#) [MNUC](#) [KJUS](#) [ID](#)  
SUBJECT: BANK MANDIRI CLOSES DPRK ACCOUNTS

REF: STATE 55463

Classified By: Classified by Economic Officer Ruth M. Hall, Reasons 1.4  
(b)(c)(d)(e)(g).

[11](#). (S) Summary. After repeated interventions by the Embassy, Bank Mandiri and Central Bank officials confirmed August 9 and 11 that Bank Mandiri had shut down its relationship with two North Korean banks in July: Korea Daesong Bank and the Foreign Trade Bank of the DPRK. Bank Mandiri did not/not find any correspondent banking relationship with Tanchon Commercial Bank. Embassy had raised the issue at the Ambassador and Counselor level in several meetings and communications with Government of Indonesia and Bank Indonesia officials, as well as directly with Bank Mandiri. Embassy encouraged continued scrutiny of DPRK financial activities in Indonesia in a meeting with BI on August 11. End Summary.

[12](#). (S) Chairman of the Board of Commissioners at Bank Mandiri Indonesia, Edwin Gerungan (please protect) told the Embassy on August 9 that Mandiri had shut down its relationship with two DPRK banks in July: Korea Daesong Bank and the Foreign Trade Bank of the DPRK. Gerungan said the account with the Foreign Trade Bank had been inactive. Bank Mandiri had not found any past or current relationship with Tanchon Commercial Bank. Bank Indonesia (BI) officials confirmed this information on August 11. The Assistant to the Board of Governors of BI, Boyke W. Suadi, said that Bank Mandiri had promised a report on its findings and actions to BI Deputy Governor Maman H. Somantri.

[13](#). (S) Embassy took numerous actions in response to reftel request in April.

-- Embassy provided reftel information to officials at the Foreign Ministry, Bank Indonesia, and the Financial Intelligence Unit, urging an investigation of Tanchon activities on April 11. Economic Section followed-up with requests for action.

-- Ambassador, Political Counselor, and Econoffs raised in meetings and other communications with Presidential Advisors at the Palace and Foreign Ministry officials, in May, June and July, providing documentation and following-up with responses to questions.

-- U.S. Secret Service Agent Kyle Rego met with BI, Police, PPATK, customs and intelligence officials regarding counterfeit U.S. currency, probably DPRK-originated supernotes (high-quality counterfeits) on June 21 in Jakarta.

The 35 \$100 supernotes appear to have been issued by Bank Mandiri to an unwitting Indonesian citizen who exchanged Indonesian rupiah for U.S. dollars before heading to Singapore for medical treatment. The counterfeits were detected in Singapore. At the same meeting Econoff urged follow-up with BI's investigative unit on Tanchon.

-- Bank Indonesia) Directorate of Legal Affairs officials told Embassy Econoff on June 26 that it would not take any action regarding on Bank Mandiri's relationship with DPRK financial institutions.

-- After receiving talking points releasable to Bank Mandiri from Department, Economic Counselor raised the issue with Mandiri Chairman Edwin Gerungan on July 19. Gerungan clearly understood the importance of the issue both of the DPRK banking activity and of the counterfeit supernote issue. He requested further details, which Embassy provided.

-- Acting Economic Section Chief met with BI Deputy Governor Maman H. Somantri on August 3 to raise the DPRK banks issue. Econoff provided the text of the July 15 UNSC resolution 1695 on the DPRK, which includes language requiring "all Member

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States, in accordance with their national legal authorities and legislation and consistent with international law, to exercise vigilance and prevent missile and missile-related items, materials, goods and technology from the DPRK, and the transfer of any financial resources in relation to DPRK's missile or WMD programs." BI officials appeared uncomfortable during the meeting but seemed to understand the importance of the matter.

-- Embassy advised Bank Mandiri's Edwin Gerungan of Mandiri aliases "Changgwang Credit Bank" and "Korea Changgwang Credit Bank" on August 10.

-- Acting Economic Section Chief met with BI Boyke W. Suadi on August 11 to provide further information on DPRK use of front companies and the Tanchon aliases. Embassy encouraged continued scrutiny by BI of DPRK financial institutions activity or attempted activity in Indonesia.

Comment  
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14. (S) Post appreciates Department flexibility in providing cleared talking points for use with Bank Mandiri. In combination with other interventions, discussions with Bank Mandiri management seems to have facilitated the most direct action to close down the DPRK banks. Embassy will follow up with BI on the aliases for Tanchon and continue to monitor developments.  
PASCOE